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12 Attorneys for Debtors and Debtors-in-Possession

13 **UNITED STATES BANKRUPTCY COURT**

14 **DISTRICT OF NEVADA**

15 In re:
 16 USA COMMERCIAL MORTGAGE COMPANY,
 Debtor.

Case No. BK-S-06-10725 LBR
 Case No. BK-S-06-10726 LBR
 Case No. BK-S-06-10727 LBR
 Case No. BK-S-06-10728 LBR
 Case No. BK-S-06-10729 LBR

17 In re:
 18 USA CAPITAL REALTY ADVISORS, LLC,
 Debtor.

Chapter 11

19 In re:
 20 USA CAPITAL DIVERSIFIED TRUST DEED FUND,
 LLC,
 Debtor.

Jointly Administered Under
 Case No. BK-S-06-10725 LBR

21 In re:
 22 USA CAPITAL FIRST TRUST DEED FUND, LLC,
 Debtor.

**NOTICE OF HEARING OF MOTION
 FOR ORDER APPROVING
 RETENTION PLAN OF DEBTOR'S
 REMAINING EMPLOYEES
 (AFFECTS ALL DEBTORS)**

23 In re:
 24 USA SECURITIES, LLC,
 Debtor.

25 Affects:

All Debtors
 USA Commercial Mortgage Company
 USA Capital Realty Advisors, LLC
 USA Capital Diversified Trust Deed Fund, LLC
 USA Capital First Trust Deed Fund, LLC
 USA Securities, LLC

Date: October 19, 2006
 Time: 9:30 a.m.

1 NOTICE IS HEREBY GIVEN that a Motion for Order Approving Retention Plan of Debtor's
 2 Remaining Employees (the "Motion") was filed by Schwartzer & McPherson Law Firm, attorneys
 3 for USA Commercial Mortgage Company ("USACM").

4 USACM's management has prepared a retention plan to encourage the remaining employees
 5 to stay until the effective date of the Plan of Reorganization, a copy of which is attached to the
 6 Motion as Exhibit A (the "Retention Plan"). The proposed Retention Plan consists of three major
 7 components: a) a bonus; b) severance pay; and c) medical benefits, and is summarized as follows:

- 8 a. A bonus will be paid to each employee who remains actively employed by
 9 USACM on the "Bonus Days" of November 30, 2006, December 31, 2006, January
 10 31, 2006 and February 28, 2006. The bonus to be paid on each Bonus Day shall
 11 consist of 5% of the employee's annual salary (calculated for the hourly employees
 12 as 5% of their hourly rate multiplied by 2080, which is a standard work year). If
 13 the effective date of the Plan of Reorganization is prior to February 28, 2006, any
 14 unpaid bonus amounts shall be paid to those employees employed by USACM on
 15 the effective date.
- 16 b. Severance pay shall be accrued at 2% of annual pay for each pay period beginning
 17 October 1, 2006, until an employee has accrued a maximum of 25% of annual
 18 salary (or in the case of hourly employees, 25% of their hourly rate multiplied by
 19 2080). Severance pay shall be paid to the employee only if and when the
 20 employment is terminated by USACM. Employees shall receive at least 30 days
 21 notice of termination, through which time period the severance pay will continue to
 22 accrue.
- 23 c. If USACM terminates the employees' medical plan, no COBRA medical benefit
 24 will be available for former employees as they search for new jobs. Accordingly,
 25 the current medical plan will be continued until it is determined by management
 26 that it is no longer needed for USACM's employees. At that time, arrangements
 27 will be made with the medical plan provider to pre-pay the medical plan for a
 28 minimum of 6 months and a maximum of 12 months, so that the remaining
 employees will be able to continue their medical coverage by paying the same
 amount to the medical plan provider that they were previously paying to USACM
 through withholding from their paychecks. If USACM is unable to obtain such
 continuing coverage for the benefit of the terminated employees through the
 medical plan provider, USACM may purchase separate individual insurance
 policies for these terminated employees. The individual policies would be for at
 least a six month term and provide substantially the same amount of benefits as the
 medical plan it is replacing.

26 If you object to the relief requested, you *must* file a WRITTEN response to this pleading
 27 with the court. You *must* also serve your written response on the person who sent you this notice.

28 If you do not file a written response with the court, or if you do not serve your written

response on the person who sent you this notice, then:

- The court may *refuse to allow you to speak* at the scheduled hearing; and
- The court may *rule against you* without formally calling the matter at the hearing.

Pursuant to the Second Amended Order Establishing Case Management Procedures entered September 14, 2006, the deadline to file and serve objections to Requests for Relief set on shortened time shall be no later than three (3) business days before the hearing date.

A copy of the Motion may be obtained by accessing BMC Group, Inc.'s website at www.bmcgroup.com/usacmc, by accessing PACER through the United States Bankruptcy Court website for Nevada at www.nvb.uscourts.gov, by contacting BMC Group at telephone: (888) 909-0100, or by contacting the office of the Debtor's counsel, Ray Quinney & Nebeker P.C., telephone: (801) 532-1500 or fax: (801) 532-7543.

NOTICE IS FURTHER GIVEN that the hearing on the Motion may be continued without further notice.

NOTICE IS FURTHER GIVEN that the hearing on the Motion will be held before a United States Bankruptcy Judge, in the Foley Federal Building, 300 Las Vegas Boulevard South, 3rd Floor, Las Vegas, Nevada on October 19, 2006 at 9:30 a.m.

Dated this 12th day of October, 2006.

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